What is claimed is:

1. A method of cost effectively funding a loan, said method comprising the step of providing, by a lending institution, a financial guaranty to an insurance company as a first loss protection for the loan as an enticement to the insurance company to insure the loan.

2. A method as recited by claim 1, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the loan is a loan of the lender.

3. A method as recited by claim 1, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the loan is a loan of a third party.

4. A method as recited by claim 1, wherein the loan comprises a pool of loans.

5. A method as recited by claim 1, wherein the loan is transferred by the lending institution to an entity that issues a note to obtain funding for the loan, and wherein the note is insured by the insurance company.

6. A method as recited by claim 5, wherein the entity comprises a bankruptcy-remote entity and a trust.

7. A method as recited by claim 5, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the loan is a loan of the lender.

8. A method as recited by claim 5, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the loan is a loan of a third party.

9. A method of cost effectively funding a loan, said method comprising the steps, by a lending institution, of:

(a) providing a computer connectable to a network and having a processor operable in connection with software for:

receiving information from a borrower for a loan request;

determining a credit risk of the borrower from the information received;

approving or rejecting the loan request based on the determined credit risk;

(b) transferring the loan to an entity that issues a note to obtain funding for the loan, the note being insured by another entity; and

(c) providing a financial guaranty to the another entity for the note.

10. A method as recited by claim 9, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the

reinsurer, and wherein the another entity is an insurance company, and wherein the loan is a loan of the lender.

11. A method as recited by claim 9, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the another entity is an insurance company, and wherein the loan is a loan of a third party.

12. A method as recited by claim 9, wherein the entity comprises a bankruptcy-remote entity and a trust.

13. A method as recited by claim 8, wherein the another entity is an insurance company.